

Message Text

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43

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 EB-07 OMB-01 TRSE-00 AID-05

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P R 161630Z JAN 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC PRIORITY 4063

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 0376

E.O. 11652: GDS

TAGS: PDIP, PFOR, EFIN, EC

SUBJECT: CONVERSATION WITH NEW GOE AMBASSADOR TO U.S.

REF: A) QUITO 8522 B) QUITO 8052 C) QUITO 7667

1. I INVITED GOE AMBASSADOR-DESIGNATE CORSINO CARDENAS TO LUNCH TOGETHER WITH POLITICAL CONSELOR JANUARY 14. CONVERSATION COVERED A WIDE RANGE OF SUBJECTS AFFECTING OUR BILATERAL RELATIONS. CARDENAS DISPLAYED AN ESPECIALLY DETAILED FAMILIARITY WITH THE VARIOUS ECONOMIC ISSUES WHICH MUTUALLY CONCERN US.

2. ONE THEME WHICH RECURRED THROUGHOUT CARDENAS' REMARKS, AND WHICH OBVIOUSLY PREOCCUPIES HIM, WAS CONCERN AT USG LENDING POLICY TOWARDS ECUADOR IN IDB. CARDENAS SAID THAT THIS WAS A MATTER WHICH HE HAD ALREADY DISCUSSED AT LENGTH IN WASHINGTON WITH TREASURY DEPUTY ASSISTANT SECRETARY BUSHNELL, AMONG OTHERS, AND HE PROFOUNDLY HOPED THAT THE US WOULD MODIFY ITS PRESENT POSITION OF NOT FAVORING SOFT LOANS TO ECUADOR. CARDENAS EMPHASIZED THAT HE WAS NOT SEEKING AUTOMATIC APPROVAL OF ALL GOE REQUESTS FOR FSO LOANS, BUT RATHER THAT THE PROJECTS FOR WHICH SOFT LOANS WERE SOUGHT BE CONSIDERED ON THEIR ECONOMIC AND SOCIAL MERITS. THERE REMAIN IN ECUADOR, HE SAID UNLIMITED

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NEEDS FOR PROJECTS OF INFRASTRUCTURE AND SOCIAL DEVELOPMENT

WITH LONG AND NON-COMMERCIAL PAY BACK PERIODS THAT ARE NOT SUITABLE FOR FINANCING OUT OF CURRENT REVENUES. MOREOVER, HE ADDED, IT IS COMPLETELY UNACCEPTABLE THAT CERTAIN CHARTER MEMBERS OF THE IDB CLUB BE EXCLUDED EX POST FROM SOME OF THE CLUB'S FACILITIES. SOME MEMBERS, SUCH AS VENEZUELA, MIGHT REFRAIN FROM USING THE FACILITIES, BUT ECUADOR WAS NOWHERE NEAR IN THIS POSITION YET.

3. WITH RESPECT TO THE TRADE ACT, CARDENAS ADMITTED THAT ECUADOR'S REACTION WAS PRIMARILY BASED ON THE POLITICAL ASPECTS OF AUTOMATIC EXCLUSION. NEVERTHELESS, HE SAID, THERE ARE REAL ECONOMIC CONSEQUENCES CONCERNING ECUADOR'S PLANS FOR INDUSTRIAL DEVELOPMENT ESPECIALLY AS THEY RELATE TO COORDINATION WITHIN THE ANDEAN PACT. SOME OF THESE PLANS WILL BE STYMIED SO LONG AS ECUADOR FINDS ITSELF UNABLE TO TAKE ADVANTAGE OF PREFERENTIAL TREATMENT IN THE US MARKET.

4. WE REHEARSED AT NO GREAT LENGTH THE RECENT HISTORY OF RE-ESTABLISHMENT OF MILITARY TRAINING AND SUPPLY RELATIONS. I EXPLAINED OUR OWN INTERNAL SET-UP AND THE ROLE OF THE USMLO.

5. MORE GENERALLY, CARDENAS' BASIC PITCH WAS THAT, IN LOOKING FORWARD TO HIS ASSIGNMENT, HE VIEWED HIS ROLE AS ONE OF CONCILIATING ANY DIFFERENCES THAT MIGHT EXIST BETWEEN OUR TWO COUNTRIES.

6. REGARDING HIS TRAVEL PLANS CARDENAS NOW EXPECTS TO FLY TO WASHINGTON FROM GUAYAQUIL ON JANUARY 22 BASED ON INDICATIONS THAT HE WILL BE ABLE TO PRESENT HIS CREDENTIALS IN EARLY FEBRUARY. WILL ADVISE DEFINITE SCHEDULE AS SOON AS IT IS KNOWN.

7. MY IMPRESSION IS THAT CARDENAS' ECONOMIC AND BUSINESS BACKGROUND (HE HAS BEEN IN THE BANANA BUSINESS IN EL ORO PROVINCE) AND HIS YEARS OF SERVICE IN WASHINGTON IN THE IDB WILL STAND HIM IN VERY GOOD STEAD AS GOE'S NEW AMBASSADOR. SOME OF THE MORE CONSERVATIVE ECUADOREANS IN QUITO LOOK DOWN THEIR NOSES AT HIM AS A PARVENU, AND ARE

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LEARY OF HIS "SOCIALIST" VIEWS. I DON'T THINK HE IS. HE IS HIGHLY REGARDED BY ANY NUMBER OF LEVEL-HEADED ECUADOREANS BOTH IN AND OUT OF GOVERNMENT. IT MAY BE THAT THE USG HAS HARBORED SOME DOUBTS AS TO HIS ATTITUDE TOWARDS US, BUT CARDENAS HAS STRONG PERSONAL AND PROFESSIONAL TIES WITH OUR COUNTRY AND HIS STATED INTENTION TO WORK QUIETLY TO SMOOTH RELATIONS CAN PROBABLY BE TAKEN AT FACE VALUE. HEMENWAY

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